



**RBA.
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO. 7
AGENDA DATE: 4.10.08
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SUBJECT: Authorize the award and execution of four construction contracts in a total amount not to exceed \$322,245 to J C CANTERA, INC , Austin, Texas, under the Home Rehabilitation Loan Program, to fund the demolition and reconstruction of four single-family homes through construction contracts between the contractor and the homeowner at the following addresses 4606 Ledesma, 1106 Angelina Street, 2945 E 14th Street, and 7305 Blessing Ave , Austin, Texas

AMOUNT & SOURCE OF FUNDING: Funding is available from the Grant Operating budget, from HOME Investment Partnership and HOME Match Acquisition and Development program for Fiscal Year 2007-2008

FISCAL NOTE There is no unanticipated fiscal impact

REQUESTING DEPARTMENT: Austin Housing Finance Corporation **DIRECTOR'S AUTHORIZATION** _____

FOR MORE INFORMATION CONTACT. Margaret Shaw, Austin Housing Finance Corporation, 974-3184

PRIOR BOARD ACTION. N/A

PRIOR COUNCIL ACTION: N/A

These construction contracts will provide for the demolition and reconstruction of four single-family homes at the following addresses 4606 Ledesma, 1106 Angelina Street, 2945 E 14th Street and 7305 Blessing Avenue This project is being developed in compliance with applicable federal requirements including the Code of Federal Regulations, 24 CFR Part 85 40 performance goals, under the Austin Housing Financing Corporation (AHFC) Home Rehabilitation Loan Program (Program)

JC Cantera, Inc submitted the most responsive of six bids submitted to construct the homes in accordance with the plans and specifications for the homes

Demolition and reconstruction assistance under the Program provides an alternative to rehabilitating an existing house on a property when it is determined that rehabilitation is economically infeasible because of the extremely deteriorated condition of the structure The existing house is replaced with another house of equal or comparable size with

exceptions for health and safety considerations regarding a smaller structure. Homestead reconstruction can only be done when the Program has determined that the existing structure *cannot be economically repaired under the funding limits of the Program* for the fiscal year. Final determination as to the type of replacement home to be used will be at the sole discretion of the AHFC. Reconstructed homes must meet the 2006 International Residential Code, the 2006 International Energy Conservation Code, the 2005 National Electric Code, Visitability Ordinance and Green Building Standards. Construction contracts allow for 120 calendar days for completion of the project.

The maximum amount paid under the program for a homestead reconstruction project is \$110,000. It includes demolition costs up to \$14,999 which may be forgivable after five years if the owner meets all terms of the loan agreement.

Demolition and construction work at 2945 E. 14th Street will also require the homeowner to enter into a shared equity formula, purchase option and right of first refusal agreement. Their application was received after June 1, 2007 when new guidelines became effective that include shared equity requirements. This property owner will be required to sell the property to the AHFC or share 25 percent of any accrued equity with the City upon transfer of the property. In the event the AHFC elects to exercise its purchase option, the homeowner must obtain an independent appraisal of the house to determine the value, and the AHFC must pay the appraised value.

This activity is consistent with the FY2007/2008 Action Plan as identified under the AHFC Program.

Additional Back Up will include the bid tab.